

OGC HAS REVIEWED.

The Legal Inspector
DAP Branch

26 May 1948

General Counsel

STATSPEC
Contract [redacted]

STATSPEC

1. Attached is a photostat of the above-identified
contract between the United States Government [redacted]

STATSPEC

[redacted] For communication service
between [redacted] This contract has been
submitted to this office for approval as to legal form,
but two items require clarification before such approval
can be given.

2. First, you will note that, under "Particulars",
annual rent is stated at 15% 14 s. in accordance with
the attached schedule. There is then listed a 25% sur-
charge in the amount of 306 8 s. 6 d. No explanation
of the surcharge is contained in the file. Approval
cannot be given to the contract without explanation or
justification of this surcharge.

3. In paragraph 8 of the attached schedule, it is
stated that the renter will be responsible on demand by
the [redacted] for payment for property of any
sort used in connection with this contract which is
destroyed or damaged by any cause or shall at any time be
missing from the premises. This, in effect, makes [redacted]
a guarantor of all equipment furnished by the [redacted]

STATSPEC
STAT

[redacted] for this service. This is an unusual pro-
vision which is not in accordance with normal lease
conditions. A request should be made for amendment of
this provision to provide that the renter will pay for
any equipment damaged or lost due to the negligence or
failure to exercise due care of any employee or agent
of [redacted]. If this charge, or some equivalent provision,
is not acceptable to the [redacted] information
to that effect should be furnished to this office, together
with a full explanation of the circumstances. The attached
copy of the contract should also be returned to this office.

STAT

STATSPEC

cc: [redacted]

LAWRENCE R. HOUSTON

LRH:subt